United Nations ST/IC/1998/77*

Secretariat

15 December 1998

Information circular**

To: Members of the staff

From: The Controller

Subject: **United Nations group life insurance plan*****

General

1. An administrative instruction (ST/AI/1998/10) has been issued governing the policies and procedures for the United Nations group life insurance plan made available to staff and former staff, with effect from 1 January 1999. The present circular should be read in conjunction with that instruction.

2. As promulgated in Secretary-General's bulletin ST/SGB/1998/5, staff rule 206.2 has been cancelled with effect from 1 February 1998. This rule required project personnel to participate in the group life insurance plan, unless exemption from such participation was expressly stated in the letter of appointment. The plan is, therefore, now voluntary for all eligible staff.

New eligibility criteria

3. With effect from 1 January 1999, the eligibility criteria are changed. In order to be eligible to participate in the plan, it will only be necessary to have a letter of appointment for six months or more, not for a year or more as previously required.

Improvements in coverage

4. In addition, other changes are being introduced, with effect from 1 January 1999, as follows:

(a) The normal level of benefits for staff enrolling in the plan is now based on two and a half times pensionable remuneration, instead of two times pensionable remuneration;

(b) The maximum benefit is raised from $130,000 to $250,000;

(c) The coverage of staff members entering the plan at age 62 is limited to $14,000 instead of $7,000 at age 60, as was previously the case;

(d) The maximum coverage for all staff members still in service at age 62 is raised from $58,500 to $125,000. If the staff member's coverage is higher than $125,000, it will automatically be reduced to that level on 1 January coinciding with, or next following, the attainment of age 62;

(e) The age up to which staff members whose appointments are terminated for reasons of health in accordance with staff regulation 9.1 (a) are eligible to receive life insurance coverage equal to their coverage on the date of separation, without payment of further premiums, is raised from 60 to 62. Upon the attainment of age 62, the percentage factors set out in paragraph (f) below apply;

(f) The percentage factor applicable to the coverage of former staff members entitled to after-service life insurance is improved as follows:

(i) Between the ages of 55 and 65, after-service coverage is increased from 45 to 50 per cent;

(ii) At age 65, after-service coverage is increased from 22.5 to 25 per cent;

* Reissued for technical reasons.

** The present circular will be in effect until further notice.

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(iii) At age 70, after-service coverage is increased from 7.5 to 10 per cent;

(iv) The reduction to $125,000 at age 62, while still in service, will be ignored in these calculations;

(g) The minimum benefit after age 70 is raised from $2,000 to $5,000, but not more than the amount to which the retiree would be entitled before age 70, and the maximum benefit after age 70 is raised from $5,000 to $10,000.

5. The new schedule setting out the levels of insurance coverage for staff within specified ranges of pensionable remuneration and the corresponding monthly premiums, compared with the previous levels, is set out in annex I. The premium remains at $0.29 per $1,000 of coverage.

Implementation of improvements in coverage

6. The improvements in coverage described in paragraph 4 above, in particular the change in the base from two to two and a half times pensionable remuneration and the increase in the maximum benefit to $250,000, will be implemented in the end of December 1998 payroll, to take effect from 1 January 1999, as life insurance premiums are payable at the beginning of each month of coverage. At the same time, any increases in the pensionable remuneration of participants since 1 July 1996 will be taken into account. The date each year on which the level of life insurance will be increased to reflect changes in pensionable remuneration is changed from 1 July to 1 January.

7. **Consequently, all participants in the plan, other than those who have previously executed a waiver of automatic increase in coverage, are reminded that if their pensionable remuneration on 31 December 1998 places them at a higher insurance level, because of the increase in the basis of coverage from two to two and a half times pensionable remuneration or because of the increase in the maximum benefit, their coverage will automatically be increased to that level unless they execute the waiver of automatic increase in coverage set out in annex II to the present circular and submit it before the deadline of 31 December 1998.**

Waiver of automatic increase

8. Staff members who are considering executing a waiver may wish, in addition to reviewing sections 6 and 7 of administrative instruction ST/AI/1998/10, to check the pensionable remuneration for their level and step with the levels of insurance coverage and corresponding monthly premiums for the specified ranges of pensionable remuneration set out in annex I to the present circular. The pensionable remuneration of staff in the Professional and higher categories and in the Field Service is set out in a table in appendix A to the Staff Rules. The pensionable remuneration of staff in the General Service and related categories consists of gross salary, language allowance and, if applicable, non-residence allowance, converted to United States dollars at the official rate of exchange.

9. The waiver form in annex II may be detached or photocopied as necessary. Participants who wish to waive this and any future automatic increase in life insurance coverage should sign and return the completed waiver form to the Payroll Section, Accounts Division, Office of Programme Planning, Budget and Accounts, room S-1826 (or, if payrolled outside Headquarters, to the appropriate finance section). In order to avoid incurring a retroactive payroll adjustment to the effective date of the waiver, 1 January 1999, the completed waiver form should be submitted to the relevant payroll office by 30 November, *but in no event later than 31 December 1998.*

Conversion privilege

10. All staff members who are enrolled in the group life insurance plan at the time of their separation from the Organization may make arrangements through the Insurance, Claims and Compensation Section to convert to an individual policy with the insurer at a cost determined by the insurer, without having to produce further evidence of insurability. The premium rate schedule pertaining to the conversion life insurance policy established by the insurer is age-based and bears no relationship to the premium structure of the United Nations group life insurance plan. The participant is then solely responsible for remitting the related payments directly to the insurance company.

Designation of beneficiary or beneficiaries

11. Staff members are reminded to review their designation of beneficiaries in respect of their group life insurance coverage. Changes in the designation of beneficiaries may be made at any time. Special forms for this purpose may be obtained from the Insurance, Claims and Compensation Section, room S-2765, extension 3-5806, at Headquarters. Staff members serving away from Headquarters may obtain these forms from their respective administrative offices.

12. For additional information on the group life insurance plan, please contact the Insurance, Claims and Compensation Section, room S-2765, or, where appropriate, the local insurance unit at offices away from Headquarters. A summary of the benefits for staff members and former staff members is set out in annex III.

13. The present circular supersedes information circular ST/IC/1996/42, dated 17 July 1996, and all previously issued information circulars concerning the United Nations group life insurance plan.

Annex I

Group life insurance brackets

Amounts of insurance coverage and corresponding premiums for different levels of pensionable remuneration (comparing old and new levels of premium and coverage)

Annual pensionable remuneration	*Maximum life insurance*	*Maximum accidental death and dismemberment insurance*	*Monthly premium, effective 1 January 1999*	*Coverage and premium levels up to 31 December 1998 (see para. 6)*	
				Level of coverage	*Monthly premium*
$	$	$	$	$	$
Less than 2 000	**5 000**	**5 000**	**1.45**	3 000	0.87
2 001 to 4 000	**10 000**	**10 000**	**2.90**	6 000	1.74
4 001 to 6 000	**15 000**	**15 000**	**4.35**	10 000	2.90
6 001 to 8 000	**20 000**	**20 000**	**5.80**	14 000	4.06
8 001 to 10 000	**25 000**	**25 000**	**7.25**	18 000	5.22
10 001 to 12 000	**30 000**	**30 000**	**8.70**	22 000	6.38
12 001 to 14 000	**35 000**	**35 000**	**10.15**	26 000	7.54
14 001 to 16 000	**40 000**	**40 000**	**11.60**	30 000	8.70
16 001 to 18 000	**45 000**	**45 000**	**13.05**	34 000	9.86
18 001 to 20 000	**50 000**	**50 000**	**14.50**	38 000	11.02
20 001 to 22 500	**56 250**	**56 250**	**16.32**	42 500	12.33
22 501 to 25 000	**62 500**	**62 500**	**18.13**	47 500	13.78
25 001 to 27 500	**68 750**	**68 750**	**19.94**	52 500	15.23
27 501 to 30 000	**75 000**	**75 000**	**21.75**	57 500	16.68
30 001 to 32 500	**81 250**	**81 250**	**23.57**	65 000	18.85
32 501 to 35 000	**87 500**	**87 500**	**25.38**	70 000	20.30
35 001 to 37 500	**93 750**	**93 750**	**27.19**	75 000	21.75
37 501 to 40 000	**100 000**	**100 000**	**29.00**	80 000	23.20
40 001 to 42 500	**106 250**	**106 250**	**30.82**	85 000	24.65
42 501 to 45 000	**112 500**	**112 500**	**32.63**	90 000	26.10
45 001 to 47 500	**118 750**	**118 750**	**34.44**	95 000	27.55
47 501 to 50 000	**125 000**	**125 000**	**36.25**	100 000	29.00
50 001 to 52 500	**131 250**	**131 250**	**38.07**	105 000	30.45
52 501 to 55 000	**137 500**	**137 500**	**39.88**	110 000	31.90
55 001 to 57 500	**143 750**	**143 750**	**41.69**	115 000	33.35
57 501 to 60 000	**150 000**	**150 000**	**43.50**	120 000	34.80
60 001 to 62 500	**156 250**	**156 250**	**45.32**	125 000	36.25
62 501 to 65 000	**162 500**	**162 500**	**47.13**	130 000	37.70
65 001 to 70 000	**175 000**	**175 000**	**50.75**	130 000	37.70
70 001 to 75 000	**187 500**	**187 500**	**54.38**	130 000	37.70
75 001 to 80 000	**200 000**	**200 000**	**58.00**	130 000	37.70
80 001 to 85 000	**212 500**	**212 500**	**61.63**	130 000	37.70
85 001 to 90 000	**225 000**	**225 000**	**65.25**	130 000	37.70
90 001 to 95 000	**237 500**	**237 500**	**68.88**	130 000	37.70
Above 95 000	**250 000**	**250 000**	**72.50**	130 000	37.70

Note: Coverage for staff members entering the plan at age 62 or later will be restricted to $14,000 life insurance coverage and the same amount of accidental death and dismemberment insurance coverage.

Coverage for staff members whose life insurance coverage exceeds $125,000 will be automatically reduced to that level and the same amount of accidental death and dismemberment insurance, on 1 January coinciding with or next following attainment of age 62.

Annex II

Waiver of automatic increase

Date: _____

To: Payroll Section, room S-1826
(or, if payrolled outside Headquarters, to the appropriate finance section)

Subject: Group life insurance – Waiver of automatic increase

1. I hereby certify that:

(a) I have been given an opportunity to avail myself of the increased insurance benefits offered by the United Nations in accordance with administrative instruction ST/AI/1998/10 and information circular ST/IC/1998/77 on group life insurance; and

(b) I have decided not to take advantage of the offer.

2. I request, therefore, that my life insurance and accidental death and dismemberment coverages under the group policy be maintained at their current levels.

3. I understand that in order to obtain increased insurance in the future, I will be REQUIRED TO PROVIDE EVIDENCE OF INSURABILITY satisfactory to the insurance company and may be required to undergo a medical examination at my own expense.

4. I further understand that the company reserves the right to reject my application for such an increase.

_____ _____
Signature of staff member Signature of witness

_____ _____
Print or type name in full Print or type name in full

_____
Payroll index number

_____
Duty station

The effective date of the waiver of automatic increase will be 1 January 1999. In order to ensure that the necessary payroll action to freeze coverage can be taken before that date, this form should be forwarded to the appropriate payroll unit before 30 November 1998. If this form is submitted after 30 November, but before the deadline of 31 December 1998, the payroll action to freeze coverage will be implemented in the January 1999 payroll with retroactive effect to 1 January 1999. This form will then be filed in the staff member's finance file.

Annex III

Summary of benefits under the United Nations group life insurance plan[a]

Life insurance benefits

1. The plan will pay a life insurance benefit in the amount for which the participant was insured at the time of death.

2. The benefit will be payable to the designated beneficiary or beneficiaries upon satisfactory proof of death from any cause, at any place and at any time while the participant was insured.

Accidental death and dismemberment benefits

3. The plan will pay the benefits determined from the table of benefits below for loss of life, loss of hand or foot (by severance through or above the wrist or ankle joint) or permanent and complete loss of sight of an eye.

4. Benefits are payable if the loss:

(a) Occurs within 90 days after an accident which causes an injury to the participant while insured; and

(b) Results directly and solely from an injury caused by the accident and not excluded in the limitations section below.

Table of benefits

5. The full amount for which the participant was insured will be paid for the accidental loss of:

(a) Life;

(b) Both hands;

(c) Both feet;

(d) One hand and one foot;

(e) One hand and the sight of one eye;

(f) One foot and the sight of one eye; or

(g) The sight of both eyes.

6. One half of the amount for which the participant was insured will be paid for the accidental loss of one hand, one foot or the sight of one eye.

[a] The full provisions are contained in the contract between the insurance company and the United Nations.

Limitations

7. Accidental death and dismemberment coverage is only for losses due to accidents.

8. Benefits will be payable, however, for a loss which is:

(a) Caused by a pus-forming infection resulting directly and solely from an injury, which is covered under the plan; or

(b) Caused by a surgical operation, which is:

(i) Needed solely because of an injury which is covered under the plan; and

(ii) Performed within 90 days after the injury occurs.

9. This plan does not provide a benefit for any loss, other than those mentioned in the preceding sentence, which in any way is caused by any of the following:

(a) Bodily or mental infirmity;

(b) Disease, ptomaine or bacterial infections, of any kind;

(c) Medical or surgical treatment;

(d) Suicide or attempted suicide (sane or insane);

(e) Intentionally self-inflicted injury; or

(f) War or any act of war (whether war is declared or not).

After-service benefits

10. The benefits for former staff members who die will be the same as above but will be reduced, depending on the age of the participant at death, as follows:

(a) From the age of 55 through 64, 50 per cent of their coverage on the date of separation from service, unless it had already been reduced at age 62 while in service. This reduction will occur at age 62 for appointments terminated for reasons of health;

(b) From the age of 65 through 69, 25.0 per cent of their coverage on the date of separation from service;

(c) From the age of 70 onwards, 10.0 per cent of their coverage on the date of separation from service, subject to a maximum of $10,000 and a minimum of $5,000 or the amount to which the former staff member had been entitled before age 70, whichever is the less.